

1. "Licensed providers" are bribing government officials for the license and then for setting the prices paid at artificially high levels: [Example (see document transmitted with this letter): The "licensed providers" of goods and services are marking their products up by as much as 1,000% (one-thousand percent). An example of billing Medicare/Medicaid \$1,210.55 for 155 adult diapers which cost 41¢ each wholesale is included with this transmission. Tripling the wholesale cost—a great markup—would have resulted in a price of \$1.23 each. The "licensed Medicare provider" billed Medicare for \$1,210.55, collected \$968.44 and then billed Medicaid for the remaining \$242.11. U.S. Taxpayers paid \$7.81 each for diapers which wholesale for 41¢ each!]

2. Facilities which provide services to the elderly and handicapped are paying bribes to government agency personnel who refer the elderly and handicapped to them for treatment; [I have access to a tape of a conversation between a druggist and a personal care home owner in which the druggist offered a "kickback" if the owner would allow him to bill Medicare/Medicaid for all prescriptions of the owner's residents. This was not a "volume discount" but an under-the-table bribe.]

3. "Licensed providers" are bribing owners of facilities providing housing and other services to the elderly and handicapped to allow the providers to furnish goods and services to their residents; [Example: a "licensed provider" approached the owner of a personal care home about providing "hip protectors" to the elderly residents of the facility. The "provider" said he had a doctor who would "sign off" on the "protectors" and that the "hip protectors" were already "Medicare approved". The "hip protector" consisted of two cotton pads about 6 inches in diameter connected with Velcro belts to hold them in place around the hips. The price to Medicare—\$300.00 per unit!]

4. The nursing home and home-health industries are bribing legislators and government administrators and regulators to channel all Medicare/Medicaid payments into their industries rather than to the less-expensive "intermediate care" homes and "local" nurses, doctors and social workers who might accomplish the same goals at one-third to one-half the cost of nursing homes and the "licensed" home-health agencies. [This is common knowledge among State legislators in Georgia. Studies from Georgia government agencies and corroborating studies from Oregon, Maryland, South Carolina and numerous other places have shown that of the 40,000+ people residing in 24-hour skilled nursing facilities in Georgia with Medicaid funding, more than two-thirds do not need "skilled nursing" and would be better off in a smaller, more residential setting like a personal care home with the resultant savings to Georgia taxpayers of more than \$350,000,000 per year!]

In terms of long term care for the elderly and handicapped, including home-health and residential facilities, here are some experts that you might wish to contact regarding potential savings to Medicare/Medicaid and the real benefits for the elderly and handicapped which would be derived by eliminating the graft and corruption from the system:

Richard Ladd (former head Oregon and Texas agencies handling the elderly and handicapped who succeeded in reducing nursing home populations in both states) (512) 266-7406/266-7648, Austin, TX

Professor Rosalie Kane, Institute for Health Services Research, Univ. Minnesota, 420 Delaware Street SE, Box 197, Mayo Building, Room D-527, Minneapolis, MN 55455 (612) 624-5171]

Larry Polivka, University of S. Florida, Aging Dept., Tampa, FL (813) 974-3468

Please pass along my gratitude to Rep. Stern for the good work. If the fraud and abuse were eliminated in Georgia from the Medicare/Medicaid system, it would reduce the that expenditure by at least 50% while not cutting one needed service to the elderly and handicapped.

I am continuing my research and working with the Georgia Attorney General's office, several legislators and many professionals in the long-term care field. If I find more information, I'll send it along and if there is some specific information you need, please let me know.

Sincerely,

CLAY WILLIS.

SAFE AND AFFORDABLE HOUSING

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from New York [Ms. VELÁZQUEZ] is recognized during morning business for 1 minute.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today to call attention to the latest attack on our children, the elderly, and the poor. Today, when families are being forced to do more with less, the Republican crafted VA-HUD appropriations bill threatens the most basic human need, safe, and affordable housing.

The VA-HUD appropriations bill cuts homeless assistance by 50 percent, leaving the 600,000 individuals currently homeless with no hope. It slashes public housing subsidies by over \$2 billion, sentencing 3 million public housing tenants to higher crime. This will have a devastating effect in New York City.

Cuts in section 8 rental assistance and homeless programs come at a time when we should be working to give everyone a chance at having the basic necessity of shelter. Instead, this legislation forces these Americans further into despair.

These moves are on top of severe reductions already made by Republicans to programs like AFDC, food stamps, and child assistance programs. Cuts like this create a dangerous game of Russian roulette, forcing families to choose between caring for their loved ones, putting food on the table, or providing a roof over their head.

Mr. Speaker, that is simply too high a price to ask our families to pay, all in the name of balancing the budget and tax breaks for the wealthy.

SAVE MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. SCARBOROUGH] is recognized during morning business for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I have got to tell you. I hear all this debate about Medicare and Medicaid and who is saving Medicare and who is trying to gut Medicare and Medicaid. At times I just find it laughable, the type of rhetoric that goes on inside the beltway of Washington, DC, and I am new to this game. I just came to Washington 6 months ago.

I remember over the course of the campaign, what frustrated the American people the most was the fact that Washington politicians loved to engage in doubletalk, double speak. And one of the things they got the biggest kick out of, but also got upset about the most, was the fact that in Washington, DC, a politician calls a spending increase a spending cut. Somebody will come to the floor and say, we are cutting this program by 50 percent, and then you open up the budget and look chapter and verse.

The fact of the matter is, we are only cutting the rate of increase by 50 percent and, in fact, we are spending more next year than we did last year. This happens on all the programs. It is a wonderful way for a Washington politician to sound like they are getting tough on fiscal matters when the fact of the matter is they continue to throw money out in the breeze and do not know how to discipline themselves.

Mr. Speaker, the thing that frustrated me as an average citizen sitting on the couch watching C-SPAN or CNN was the fact that sometimes it was hard to nail them down. And you said, well, one side is saying this, the other side is saying that, what is the truth? Let me tell you. You have an opportunity to get to the bottom of the truth on the Medicare issue.

We had the gentleman from Ohio talk about the summary report of 1995 of the status of Social Security and Medicare programs. I ask you as an American citizen, if you want to get to the bottom of this whole Medicare debate, to call your Representative at 202-225-3121. Call your Representative, ask for that report and it will tell you some very, very troubling things about Medicare.

The first thing it will tell you is that Medicare is going bankrupt in the year 2002. That is in 7 years. The House Republicans did not write this report. House Democrats did not write this report. It was written by the trustees. They came back and reported to President Clinton: Mr. President, we have 7 years before Medicare goes bankrupt, before senior citizens really are left out in the cold in this system. You have to do something to reform Medicare.

Some of us have begun to undergo the task of doing something to save Medicare. Let me just give you a few numbers about spending and Medicare because you are going to hear about how us trying to save Medicare is going to cut the program, going to slash the program. Let us forget Washington doubletalk and double speak for a second and just talk about the facts.

The fact of the matter is, spending on Medicare over the next 7 years is going to increase from about \$900 billion to \$1.6 trillion, \$900 billion to \$1.6 trillion. I was never very good in math; that is probably why I ran for office, but the fact of the matter is that in my hometown where I come from, going from